29 July 2025

Genesis Energy
Limited
155 Fanshawe Street
Auckland 1010

PO Box 90477
Victoria St West
Auckland 1142

Electricity Authority
AON Centre
1 Willis Street
WELLINGTON 6011

By email: policyconsult@ea.govt.nz

Evolving Multiple Retailing and Switching Consultation

Genesis welcomes the opportunity to provide feedback on the Electricity Authority's (**Authority**) "*Evolving multiple retailing and switching*" consultation paper dated 3 June 2025.

Executive Summary

Genesis recommends the Electricity Authority pause the current MTR proposal and adopt an evidence-based approach through comprehensive trials and cost-benefit analysis before proceeding further.

We share the Authority's consumer mobility destination - enabling households and businesses who choose to do so, to actively participate in New Zealand's energy transition. Our commitment is demonstrated through tangible innovation: our Energy IQ app serves over 80% of mass-market customers, our EV programmes offer cheaper energy than public charging, and our flexibility trials have delivered 17MW of peak demand management so far. We intend to grow our VPP and customer flex offerings to 150MW by FY28.

Where we differ is the proposed vehicle to get there. Genesis does not believe MTR is the most effective, efficient, or equitable path forward. The proposal represents a costly and complex solution in search of a clearly defined problem, imposing costs on all consumers for benefits to few, without evidence of widespread demand or commercial viability.

There are three critical issues to address:

1. Costs socialised but benefits concentrated on a small minority: The MTR proposal will require system-wide modifications by every retailer, distributor, and metering provider, socialising significant costs across all consumers while benefits accrue to a small segment of consumers - primarily to homeowners with capital for solar, batteries, and EVs. This is inequitable and leads to a perverse outcome with the "have nots" subsidising the "haves".

2. Consumer demand unproven and niche: The recent Living Lab Policy Trial in the UK using EV customers - the most relevant international evidence - found consumer interest is niche and highly conditional, requiring tangible savings and seamless automation. The commercial viability for secondary suppliers was also constrained by existing strong competition for EV customers.

3. International experience shows caution warranted: Australia comprehensively evaluated and **rejected a similar MTR framework in 2016**, concluding it was unlikely to be in the long-term interest of consumers. The AEMC noted that most consumer groups broadly agreed that the costs of implementing the proposed framework would outweigh any benefits, particularly for low income or vulnerable small energy customers. Australia's 2024 reforms - driven by different factors to the Authority's - allow multiple trading relationships but explicitly **prohibit multiple retailers for small customers** due to unresolved consumer protection and other issues.

Genesis Recommendations

1. **Pause the current proposal.** The case for change has not been made, and results in inequitable and perverse outcomes.

2. **Commission a full, independent, and transparent cost-benefit analysis** of the proposed MTR framework, drawing on the methodologies and lessons from the AEMC's 2016 MTR final determination and Australia's 2024 reforms.

3. **Initiate a robust, market-oriented trial, modelled on the UK's Living Lab Policy Trial,** to gather real-world evidence on consumer demand, behavioural responses, commercial viability, and operational impacts of MTR in the New Zealand context.

4. **Prioritise and support alternative pathways to innovation and consumer mobility,** including the accelerated deployment of advanced meters, the development of innovative tariffs and products within the existing framework, and the removal of other, more pressing barriers to the integration of distributed energy resources.

Introduction

Genesis is a proud New Zealand gentailer, supplying electricity, natural gas, and LPG to more than 500,000 customers nationwide. We are deeply committed to our purpose of "Powering a sustainable and thriving Aotearoa". Our Gen35 strategy maps our path to support New Zealand's energy transition, focusing on empowering our customers to electrify their lives, growing our renewable generation portfolio, and evolving our unique thermal assets at Huntly to provide the flexible backup required to support an increasingly renewable energy system. We are actively investing over $1.1 billion in new renewable generation and grid-scale batteries by 2030 and developing innovative solutions to help our customers manage their energy use and participate in the transition.

Like the Authority, Genesis supports consumer mobility. We see a future where households and businesses can choose to be active participants, equipped with the tools and choices needed to optimise their energy use, reduce costs, and participate in New Zealand's energy transition.

Our commitment to this vision is demonstrated through tangible actions. Our Gen35 strategy is centred on empowering the customer-led transition to electrification. We have invested significantly in digital tools like our Energy IQ app, which now serves over 80% of our mass-market customers, providing them with detailed insights and the ability to take action. We are increasing our share of the EV customers, offering them access to cheaper energy costs than they would pay for at public charging stations. Further, our successful customer flexibility trials, which have already delivered 17MW of peak flexibility from managing hot water cylinders, show that meaningful consumer mobility can be achieved through innovation within the existing market structure.

Where we differ from the Authority is not in the destination, but in the vehicle to get there. Genesis does not believe the proposed Multiple Trading Relationships (**MTR**) framework is the most effective, efficient, or equitable path to achieving greater consumer mobility and innovation.

In its current form, the proposal represents a costly and complex solution in search of a clearly defined problem, imposing costs for all consumers for the benefit of a few, without sufficient evidence of widespread consumer demand or commercial viability.

Our position is informed by a careful analysis of the proposal, lessons from international experience, and our own deep understanding of the New Zealand market. We consider that the Authority is progressing down a path that was considered and ultimately rejected in Australia in 2016 for sound, consumer-focused reasons that remain applicable today.[1] Further, the proposal fails to adequately

[1] Australian Electricity Market Commission, *Multiple Trading Relationships, Final Rule Determination*, 25 February 2016.

address the substantive concerns raised by Genesis and other industry participants during the Authority's 2017 MTR consultation.

Our key reasons are summarised as follows:

1. **The proposal lacks a clear problem definition and evidence of consumer demand.** The proposed MTR framework is based on an assumed, but unproven, demand for multiple retail relationships. International evidence, such as the recent Living Lab Policy Trial in the United Kingdom, demonstrates that consumer interest is niche, highly conditional on tangible savings, and dependent on seamless automation.[2]

2. **The costs and complexity far outweigh the speculative benefits and results in an inequitable outcome.** The proposal will introduce significant and costly changes to core industry systems, processes, and participant operations. These costs will inevitably be socialised across all 1.78 million households in New Zealand,[3] while any direct benefits would accrue to a very small segment of consumers:

    - The potential beneficiaries of Stage 1 (separating generation and consumption) of the proposal are the less than 4% of homes in New Zealand with solar installed. The Authority is proposing a mandatory, system-wide investment in new capabilities and processes for the entire market, the costs of which will be borne by 100% of households, to serve a theoretical benefit for less than 4% of them.

    - The potential beneficiaries of future stages (EVs and batteries) are also an even smaller, nascent minority.

    - One-third of all New Zealand households are renters, who have almost no pathway to benefit but will be forced to subsidise the system changes.

    Placing a cost burden on the many for the potential benefit of a few is inequitable and results in a perverse outcome where the "have nots" cross subsidise the "haves".

3. **The proposal ignores critical lessons from Australia.** In 2016, the Australian Energy Market Commission (**AEMC)** rejected a near-identical MTR proposal, citing the likely increase in electricity costs and inequitable impact on consumers, the complexity and costs of implementation, the need to review and significantly amend consumer protection mechanisms, and the ability of other market reforms and commercial arrangements to deliver similar

[2] Catapult Energy Systems, Living Lab Policy Trial: exploring the secondary supplier model, Final report, May 2025. Available at: https://es.catapult.org.uk/report/exploring-the-secondary-supplier-model/
[3] https://berl.co.nz/economic-insights/2023-census-data-release.

outcomes.[4] Accordingly, the AEMC determined that the proposal was unlikely to be in the long term interests of consumers. Australia's more recent 2024 reforms - driven by the urgent need to integrate consumer energy resources (**CER**) – allow MTR but explicitly *prohibit* multiple retailers for small customers until further work is done to resolve questions of value, consumer protection and innovation.[5] The Authority's proposal overlooks these lessons and Australia's current, more cautious approach.

4. **A better, evidence-based path forward exists.** The objectives of consumer mobility and innovation can be more effectively and efficiently achieved through other means. This includes leveraging the capabilities of advanced meters, developing innovative products and tariffs under the existing single-retailer model, and undertaking robust, real-world trials to properly test market dynamics before committing the entire industry to irreversible and costly changes.

Genesis is not opposed to change. We are at the forefront of driving the innovation required for New Zealand's energy future. However, we advocate for a disciplined, evidence-led approach to regulation that ensures changes are proportionate, justified, and genuinely in the long-term interests of all consumers.

We ask therefore that the Authority pause the current MTR proposal and instead commit to a comprehensive, independent cost-benefit analysis and a programme of robust trials, to build the necessary evidence base before proceeding.

1. A Solution in Search of a Problem: the Absence of Clear Justification and Consumer Demand

A foundational principle of good regulation is that intervention must be justified by a clearly defined market failure or a problem that the market cannot solve on its own. The Authority's MTR proposal is presented as a key enabler of consumer mobility, a future where consumers can seamlessly compare and switch plans and providers, choose multiple providers for different services, and sell surplus power back to the grid.

While we share this vision, the proposal fails to establish that:

- the current single-retailer framework is a material barrier to achieving it;
- there is sufficient consumer demand to justify the proposed changes;

[4] Australian Electricity Market Commission, Multiple Trading Relationships, Final Rule Determination, 25 February 2016. (Note, the AEMC also considered the single meter model and concluded that many of the same issues identified with the Australian Electricity Market Operator's MTR proposal would arise with a single meter model – see Appendix A to the Final Rule Determination.)
[5] Australian Electricity Market Commission, *National Electricity Amendment (Unlocking CER benefits through flexible trading) Rule 2024*, 15 August 2024.

- the benefits outweigh the costs;
- the inequitable outcomes for consumers raised by respondents to the Authority's 2017 MTR consultation (and echoed by consumer groups and others in Australia's 2015-16 consultations)[6] would be avoided.

Unproven Problem Statement

The core premise of the MTR proposal is that the "one-to-one relationship between trader and ICP" is a significant constraint on competition and innovation. This is an assertion without sufficient evidence. While there are always areas for improvement, the New Zealand retail market is highly competitive, with consumers actively switching providers to seek better value. The market has also demonstrated its ability to innovate within the existing framework, with the introduction of advanced meters, specialised time-of-use tariffs, EV-specific plans, and solar buy-back schemes. Genesis, for example, is actively developing customer flexibility programmes and EV transition plans under our Gen35 strategy.

This is the same fundamental issue raised by participants in the Authority's 2017 consultation, which remains unaddressed: the proposal does not clearly articulate a problem that cannot be solved by less intrusive and costly means.

The AEMC reached a similar conclusion in 2016 in relation to a similar proposal in Australia, finding that existing arrangements, other market reforms, and alternative business models were already capable of delivering the services MTR was intended to enable.[7] Australia has been considering MTR proposals since 2012 and its more recent changes prohibit multiple retailers for small customers until further work is done to resolve questions of value, consumer protection and innovation.[8]

The Authority has not provided a compelling case as to why the New Zealand context is so fundamentally different that it warrants pursuing a path Australia has determined is not in consumers' long term interests.

Consumer demand is niche and highly conditional

The Authority's proposal assumes a latent, widespread demand from consumers to manage multiple contracts for a single utility service. International evidence suggests this assumption is flawed. The most relevant and recent analysis comes from the recent "Living Lab Policy Trial" in the United Kingdom which tested the

[6] See: Australian Electricity Market Commission, *Multiple Trading Relationships, Final Rule Determination*, 25 February 2016, pages 46 – 47.
[7] Australian Electricity Market Commission, *Multiple Trading Relationships, Final Rule Determination*, 25 February 2016. Note, the AEMC also considered the single meter model and concluded that many of the same issues would arise as those identified with the Australian Electricity Market Operator's MTR proposal would arise with a single meter model – see Appendix A to the Final Rule Determination.)
[8] Australian Electricity Market Commission, *National Electricity Amendment (Unlocking CER benefits through flexible trading) Rule 2024*, 15 August 2024.

multiple retailer model in relation to EV owners.[9] The trial provides critical insights that should inform the Authority's approach.

It found that consumer interest, even among a sample of highly engaged EV owners, was not inherent. It was highly conditional on two key factors:

1. **Tangible Cost Savings:** The primary motivator for participants was the ability to save money. One participant's view was representative:

   "I don't really care where the energy comes from. I'm just interested in getting the cheapest price".

   The desire for multiple relationships was not driven by a desire for choice for its own sake, but as a means to a financial end.

2. **Simplicity Through Automation:** Consumers were only willing to accept the complexity of a second supplier if the experience was seamless and managed by "good automated tools for managing EV smart charging". Friction, confusion, or requirement for manual intervention was a significant deterrent.

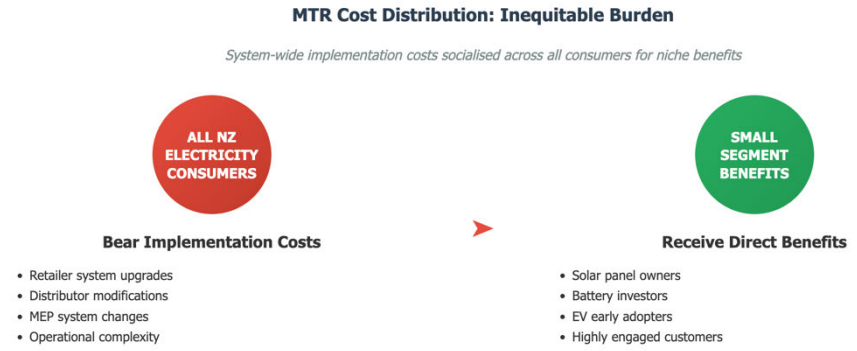
These findings suggest that MTR is likely to appeal only to a small niche of early adopter consumers who are highly engaged, technologically savvy, and motivated to actively manage their energy use to achieve savings. The Authority's proposal risks redesigning the entire market architecture for this small segment, while imposing the associated costs and complexity on everyone.

Further, the UK trial highlighted that the commercial viability for a secondary supplier was extremely challenging given the strong competition for EV customers and the measures taken by retailers to compete for these customers. This dynamic is also present in New Zealand, and the Authority's proposal does not address how a competitive market for secondary services could realistically emerge. We suggest that the trial's findings should give the Authority pause to consider and reflect.

We consider that a major market redesign based on an unsubstantiated assumption of consumer demand is bad policy making and should not proceed. We suggest that the better approach is to undertake robust, evidence-based trials to first quantify the true nature and scale of consumer interest in New Zealand. Recommendations for a trial for the Authority to consider is set out in section 4 below.

2. Costs will be socialised, while benefits are concentrated on a small minority

[9] Catapult Energy Systems, *Living Lab Policy Trial: exploring the secondary supplier model, Final report*, May 2025. Available at: https://es.catapult.org.uk/report/exploring-the-secondary-supplier-model/



Policy Impact: *Creates cross-subsidisation from "have-nots" to "haves" - contrary to equitable energy transition principles.*

The Authority's MTR proposal is not a minor technical adjustment; it is a fundamental re-architecting of the market's data and settlement systems. It would require every retailer, distributor, and metering equipment provider (**MEP**) in New Zealand to undertake significant and costly modifications to their IT systems, operational processes, and customer service functions. These costs are substantial, unavoidable, and will ultimately be passed on to all New Zealand consumers in the form of higher electricity prices.

The Authority's proposal would, for example, introduce complex changes to the central registry and all participant systems that interface with it. This includes:

- **Billing and CRM Systems:** Retailers would need, amongst other things, to redevelop their core platforms to handle multiple traders at a single ICP, and present clear, understandable bills to customers.

- **Operational Processes:** Entire workflows for customer switching, disconnections, reconnections, fault management, and life support registration would need to be redesigned to manage the complex web of responsibilities between multiple parties at a single site. The Authority's paper acknowledges some of these complexities in the proposed rule changes. However, the changes add layers of inter-party dependency and communication that do not exist today, increasing operational friction and potential for error.

- **Distributor and MEP Systems:** We expect network companies and metering providers would also face significant system upgrade costs to manage multiple trader assignments, new charging arrangements to avoid duplicate billing, and more complex service orders and data flows.

However, while the costs of this complex new system will be socialised across all consumers, the ability to benefit from MTR will not be equally distributed. It will favour homeowners with capital to invest in solar, batteries, and EVs. Renters, customers in apartments, and those on low incomes are far less likely to participate but will still bear the costs through their bills.

This creates a deeply inequitable outcome, as the costs of this complex new system will be socialised across all 1.78 million households in New Zealand, while the ability to benefit will be concentrated on a very small and specific minority:

(a) The potential beneficiary pool for Stage 1 is less than 4% of households:

The immediate scope of the Authority's proposal is to allow separate retailers for consumption and generation. The only customers who can benefit from this are those with their own distributed generation, which in the residential market is overwhelmingly solar PV.

As of 30 June 2025, there were approximately 69,530 residential solar power systems installed in New Zealand.[10] When measured against the 1.78 million households recorded in the 2023 Census, this means that fewer than four in every 100 households (3.9%) are currently equipped to derive any benefit from the proposed Stage 1 changes. (The number who would benefit is likely lower as take up depends on consumer willingness to engage with multiple retailer and perceived value (refer discussion on the Living Lab Policy Trial).) The Authority is therefore proposing a mandatory, system-wide investment in new capabilities and processes for the entire market, the costs of which will be borne by 100% of households, to serve a theoretical benefit for less than 4% of them.

(b) Future Beneficiaries Represent a Nascent and Niche Market:

The Authority presents MTR as a foundational step for future innovation, particularly for customers with home battery storage and EVs. While these markets are growing, they remain a very small fraction of New Zealand households:

- **Home Battery Storage:** The market for residential batteries is nascent. As of 30 June 2025, there were just under 9,426 home battery installations recorded in New Zealand.[11] This represents less 0.5% of all households - a statistically tiny base upon which to justify a far reaching and costly market intervention.

- **Electric Vehicles**: As of 30 June 2025, New Zealand's light vehicle fleet included approximately 122,700 electric vehicles (including both

[10]https://www.emi.ea.govt.nz/Retail/Reports/GUEHMT?DateFrom=20130901&DateTo=20250630&RegionType=NZ&MarketSegment=All&Capacity=Small&FuelType=solar_all&Show=Capacity&seriesFilter=NZ&_rsdr=ALL&_si=_db_Capacity|All_Total,_db_MarketSegment|All,_db_RegionCode|NZ,_db_RegionType|NZ,db|5YPBXT,dri|3745,s|dmt,v|3

[11]https://www.emi.ea.govt.nz/Retail/Reports/GUEHMT?DateFrom=20130901&DateTo=20250630&RegionType=NZ&MarketSegment=All&Capacity=Small&FuelType=solar_all&Show=Capacity&seriesFilter=NZ&_rsdr=ALL&_si=_db_Capacity|All_Total,_db_MarketSegment|All,_db_RegionCode|NZ,_db_RegionType|NZ,db|5YPBXT,dri|3745,s|dmt,v|3

battery-electric and plug-in hybrids).[12] While this represents a growing segment, it represents a very small minority of households, many of whom may not have the off-street parking required for dedicated smart charging infrastructure.

(c) One-Third of New Zealand Households Have No Pathway to Benefit:

The most significant inequity in the proposal is the impact on renters, which comprise approximately 566,000 or 31% of New Zealand households.[13] This large group of New Zealanders has little to no ability to make the capital investments in solar panels, batteries, or dedicated EV chargers required to benefit from an MTR framework. Yet, as consumers, they will still bear their share of the socialised costs of the system-wide changes through their power bills.

It is, therefore, deeply concerning that the Authority would seek to pursue costly and material changes when:

- the target markets are so small and the demand for such specific retail arrangements remains unproven; and
- this is likely to result in a perverse outcome where the "have-nots" subsidise the "haves".

These concerns are not theoretical; they were among the reasons for the AEMC's 2016 rejection of a similar MTR proposal. The AEMC was clear about the consequence for retail electricity prices and the disproportionate impact on consumers stating:[14]

> "*Implementation of the proposed framework would require retailers and distributors to modify a number of IT systems and operational processes. These changes are significant, and the implementation costs would be passed on to all customers through increased electricity prices. As a result, while only a small subset of customers may receive a direct benefit from the changes, all other electricity customers would likely face increased retail electricity prices.*"

and noting:

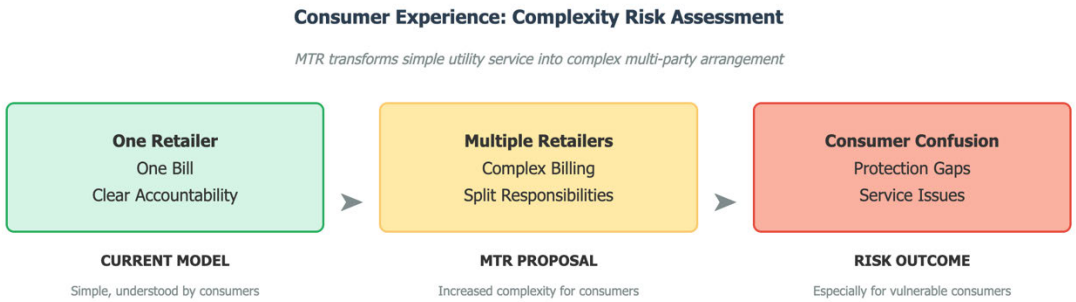
> "*Most consumer groups broadly agreed that the costs of implementing the proposed framework would outweigh any benefits, particularly for low income or vulnerable small energy customers*. [15]

[12] https://evdb.nz/ev-stats
[13] 2023 Census, Statistics New Zealand.
[14] Australian Electricity Market Commission, *Multiple Trading Relationships, Final Rule Determination, 25 February 2016*, page 5.
[15] Ibid, page 47.

"Stakeholders generally considered the proposed framework would likely lead to higher electricity prices for all retail electricity customers, and was unlikely to facilitate increased competition in retail electricity markets." [16]

The Authority's proposal provides no evidence to suggest the outcome in New Zealand would be any different.

Increased Complexity and Risk for Consumers



Consumer Protection Concern: *UK Living Lab trial showed consumer interest is "niche and highly conditional" - requiring seamless automation to manage complexity.*

In addition to the direct financial costs, the proposal would introduce a significant degree of complexity into what is currently a straightforward utility service for most New Zealanders. This complexity creates risks, particularly for vulnerable and medically dependent consumers:

- **Confusing Bills and Accountability:** A multi-retailer arrangement risks confusing customers about who is responsible for what. Resolving a billing error or a service issue becomes more difficult when multiple parties are involved, potentially leading to customer frustration and poor outcomes. Consumer groups considering the 2016 MTR proposals share this view, with the AEMC noting in its final determination that: [17]

  "Most consumer groups also suggested that while a small subset of customers might benefit, it would likely increase the complexity of service delivery with detrimental cost impacts on some customer groups."

- **Consumer Protection Gaps:** The current consumer protection framework is built around the single-retailer model. Critical processes like managing customers in hardship and medically dependent customers become fraught in an MTR world. For example, managing disconnection for non-payment by the consumption retailer to ensure that it doesn't inadvertently impact a separate, fully-paid generation arrangement. These were among the issues identified by the AEMC as requiring major amendments to their consumer protection

[16] Ibid, page 5.
[17] Ibid.

framework. However, this is a body of work the Authority's proposal does not fully scope or address.

Significant cost implications for Genesis

Genesis anticipates that the MTR proposal will introduce significant cost into our organisation. While it is not possible to provide a precise quantification without a detailed technical specification and a full impact assessment, we can state with confidence that this would be a multi-million dollar, multi-year programme of work. This is because the changes are not superficial; they represent a fundamental re-architecting of core systems and processes that are central to the operation of our retail business.

The costs would be incurred across multiple domains:

1. **Technology and IT Systems:** This represents the largest area of cost and complexity. Genesis is currently undertaking a major, multi-year digital transformation programme to modernise our core customer platforms, including a new billing and CRM system. The proposed MTR solutions would require a substantial and costly redesign of this new platform before it is even fully implemented. Key changes would include:
    - **Billing & CRM Re-platforming:** Our core systems would need to be redeveloped to handle the logic of multiple traders at a single ICP, manage different data flows for consumption and generation channels, and present clear, coherent, and accurate bills to customers in a multi-provider scenario. This would add significant cost, risk, and delay to our existing transformation programme.
    - **Registry & Market Interfaces:** All systems that interface with the central registry would need to be rebuilt to accommodate the new channel-based trader assignment logic, new file formats, and new switching workflows.
    - **Data Management:** New data models and processes would be required to manage the complex relationships between customers, ICPs, meter channels, and multiple traders. We note that there are also implications for the Authority in relation to its auditing as this will move from ICPs to the various traders.
2. **Operational Processes:** Many core operational process would need to be redesigned and rebuilt to function in an MTR environment. This includes:
    - **Customer Onboarding and Switching:** New workflows would be needed to manage the initiation of an MTR arrangement, the switching of just one trader at a site, and the process of combining services back to a single trader.

- **Faults and Outage Management:** Processes for managing faults and communicating with customers and distributors during outages would become more complex, requiring clear protocols for coordination between the multiple traders at a site.

- **Disconnections, Reconnections, and Hardship:** Managing credit and collections, disconnections for non-payment, and providing support for customers in hardship becomes fraught when two or more entities are involved at a single premises.

- **Medically Dependent Consumers:** Ensuring the safety of vulnerable customers requires robust processes. An MTR environment introduces new risks that must be managed through robust, and likely more costly, operational safeguards.

3. **People and Customer Service:** There would be significant costs associated with preparing our people and our customers for these changes. This includes:

    - **Training:** From sales and service to credit and collections - on the new systems, processes, and rules.

    - **Customer Communications:** New materials and communication campaigns would be needed to explain the new arrangements to customers, increasing the risk of confusion.

    - **Increased Handling Time:** Customer service interactions may become longer and more complex as staff and customers navigate multi-party issues, increasing the cost to serve.

Genesis is focused on simplifying our retail model, offering innovative products and reducing energy costs to deliver better value to our customers. The Authority's proposal moves in the opposite direction, mandating industry-wide investment in a more complex and costly system for benefits that are, at best, speculative and unevenly distributed.

3. Ignoring the Lessons from Australia's Journey

The development of electricity markets is an iterative process, and New Zealand has a valuable opportunity to learn from the experiences of other jurisdictions. The Australian market provides a cautionary tale. The Authority's proposal is similar to the framework the AEMC comprehensively evaluated and rejected in 2016. Further, the path Australia is now pursuing is different and more cautious than what the Authority is proposing for New Zealand.

Australia's 2016 Rejection of MTR

In 2016 the AEMC published its Final Rule Determination on a rule change request from AEMO to implement a similar MTR framework. This built on earlier work by the AEMC in 2012. The proposal's objective was identical to the Authority's: to better enable customers to engage with multiple retailers at a premises to facilitate competition and new services. After extensive consultation and analysis, the AEMC decided not to make the rule change, concluding it was not likely to be in the long term interest of consumers.

The AEMC's reasoning is directly applicable to the Authority's current proposal:

- **Limited incremental benefits:** The AEMC found the proposed framework was unlikely to materially reduce costs for customers generally, and so unlikely to drive demand for new energy service providers or stimulate service innovation and competition.
- **Availability of alternatives:** It was determined that other market reforms, particularly competition in metering and cost-reflective network pricing, could deliver similar value to customers without the need to engage with multiple retailers.
- **High, socialised costs with a disproportionate impact on low income and vulnerable customers:** The AEMC concluded that significant implementation costs would be passed on to all customers through increased electricity prices, meaning while only a small subset of customers may receive a direct benefit, all other electricity customers would likely face increased retail electricity prices.
- **Consumer Protection Risks:** The AEMC noted that "consumer protection mechanisms would need to be reviewed and significantly amended," highlighting the risks around disconnection and medically dependent customers.

The parallels are clear.

However, the Authority is asking market participants and New Zealand consumers to bear the costs and risks of a market experiment that our closest counterpart had deemed a failure.

Australia's current approach – different and cautious

It is important to distinguish the rejected 2016 proposal from the framework Australia adopted in August 2024 with its "Unlocking CER benefits through flexible trading" rule change. While the 2024 rules do create a form of multiple settlement, they are a different solution designed to solve a different problem.

- **Driver is grid stability and system integration, not retail competition:** The primary driver for the 2024 rule change is the urgent, system-wide need to integrate a massive and rapidly growing fleet of CER to "reduce overall system costs, improve reliability and achieve a secure, low-emission energy supply for all". It is principally driven by grid stability and reliability, security of supply and lowering the overall system costs.

- **No Multiple Retailers for Small Customers:** Importantly, the AEMC made a deliberate decision to *prohibit* multiple Financially Responsible Market Participants (FRMPs, i.e., retailers) for small customers. The AEMC requires further work being done to identify arrangements for future energy services that both protect these consumers and enable innovation and competition.

This is a critical lesson for New Zealand. After years of consideration, the Australian regulator concluded that the consumer protection challenges associated with multiple retailers for residential customers still need to be resolved. They have accordingly ring-fenced residential consumers from MTR.

The Authority's proposal, in contrast, seeks to open up complexity and cost to consumers, without having resolved the same fundamental issues considered by Australia. We recommend that the Authority heed the caution shown by Australia.

4. A Better Path Forward: Evidence-Based Policy and Alternative Solutions

Genesis is not arguing for the status quo.

We are investing heavily in the technology, products, and capabilities that will empower our customers and support New Zealand's transition to a low-carbon future. Our Gen35 strategy is a clear commitment to this path, with goals to develop up to 500 MW of solar generation, install 100 MW of battery storage at Huntly and grow our VPP and customer flexibility offering to 150MW. We believe the shared objectives of consumer mobility and innovation can be achieved through more effective, less costly, and less risky pathways than the proposed MTR framework.

Leveraging Existing and Emerging Capabilities

Many of the benefits ascribed to MTR can be delivered within the existing single-retailer framework, as advanced metering and digital technologies evolve and become more widespread.

- **Innovative Pricing and Products:** Retailers can and do offer specialised tariffs that send sharp price signals to encourage customers to shift their load or optimise their generation. Time-of-use, EV-specific, and solar buy-back plans achieve the same economic outcome as an MTR arrangement without the complexity of multiple bills and relationships.

- **Customer Flexibility and Virtual Power Plants (VPPs):** Genesis is actively developing our capability to manage customer flexibility, with ambitions to grow this to 150MW by FY28. We have recently completed a successful trial of hot water cylinder management platform that delivered 17MW of peak flexibility. These services, which reward customers for allowing their devices and consumption to be orchestrated for the benefit of the grid, can be delivered seamlessly through a single retail relationship.

- **Enhanced Digital Tools:** Our Energy IQ app provides customers with detailed insights into their consumption, helping them make smarter energy choices. As these tools evolve, they can provide the control and automation that customers desire, allowing them to manage complex devices like EVs and batteries without needing a separate provider.

We consider the industry should focus on maximising the potential of the existing framework and only embark on market-wide structural change if the evidence merits this.

The critical need for robust, real-world trials

It is crucial that the MTR proposal is subjected to rigorous, real-world testing before any decision is made on a national rollout. While the limited technical trial conducted by Are Ake with Kainga Ora consumers in Wellington provides some valuable learnings, it is insufficient to support the current proposal. It did not test the core market dynamics, consumer behaviours, or commercial viability of the model.

We note in particular:

- There was no switching activity and no ability to test the competitive dynamic assumptions that underpin the Authority's MTR proposal.

- Over the six-month period to 31 December 2024, generation output and average pricing for generation sold were significantly below forecast (23.5% and 33% respectively), resulting in annual revenue projections being revised

downward by 30% - 45%.[18] These significant variances in a controlled environment raise material concerns about the predictability and reliability of MTR economics at scale.

- There was no assessment of the cost impact and commercial outcomes for the retailer involved.

We suggest that the Authority consider more comprehensive trials like the recent Living Lab Policy Trial conducted in the United Kingdom by Catapult Energy Systems.[19] This would provide an excellent evidentiary basis for policymaking.

Such a trial would involve:

- **Recruiting a representative sample of consumers**, including those with solar, batteries, and EVs.
- **Using smart meter** to simulate realistic MTR billing scenarios and value propositions.
- **Conducting in-depth qualitative and quantitative research** to understand consumer comprehension, willingness to engage, and behavioural responses.
- **Modelling the commercial viability** for new entrant providers and the impact on incumbent retailers.
- **Assessing the operational impacts** on billing, switching, and customer service processes in a controlled "sandbox" environment.

This should provide the empirical evidence needed to conduct a credible cost-benefit analysis and determine if MTR is truly in the long-term interests of consumers.

5. Conclusion and Recommendations

Genesis shares the Authority's vision for a dynamic, innovative, and consumer-centric electricity market.

We are actively investing and innovating to help make this a reality. However, we believe the proposed MTR framework is a misguided step on this journey. It is a solution that lacks a clear problem, is unsupported by evidence of consumer demand, and threatens to impose significant costs and complexity on all New Zealanders for the speculative benefit of a few. It ignores the clear and relevant lessons from Australia's considered rejection of a similar model and the cautious, focused approach it has now adopted.

[18] See *Wellington Multiple Trading Trial Six Monthly Report #2 July to December 2024*. Available at: https://www.araake.co.nz/project/kainga-ora-mtt.
[19] Catapult Energy Systems, *Living Lab Policy Trial: exploring the secondary supplier model, Final report*, May 2025. Available at: https://es.catapult.org.uk/report/exploring-the-secondary-supplier-model/

Good regulatory process demands that the costs, benefits, and risks of such a significant market intervention are thoroughly understood before a decision is made. The current proposal does not meet this standard.

Genesis asks that the Authority:

1. **Pause the current proposal.** The case for change has not been made, and results in inequitable and perverse outcomes.

2. **Commission a full, independent, and transparent cost-benefit analysis** of the proposed MTR framework, drawing on the methodologies and lessons from the AEMC's 2016 MTR final determination and the 2024 CER benefits rule change.

3. **Initiate a robust, market-oriented policy trial, modelled on the UK's Living Lab Policy Trial,** to gather real-world evidence on consumer demand, behavioural responses, commercial viability, and operational impacts of MTR in the New Zealand context.

4. **Prioritise and support alternative pathways to innovation and consumer mobility,** including the accelerated deployment of advanced meters, the development of innovative tariffs and products within the existing framework, continuing to improve access to data, and the removal of barriers to the integration of distributed energy resources.

Genesis is committed to working constructively with the Authority and the wider industry to build a better energy future for Aotearoa New Zealand. This future must, however, be built on a foundation of sound evidence, prudent investment, and a commitment to the long-term interests of all consumers. We do not believe the current MTR proposal aligns with these principles and urge the Authority to adopt the evidence-based approach outlined in this submission.

Yours sincerely

[redacted]

Warwick Williams
Senior Regulatory Counsel | Group Insurance Manager

SCHEDULE

Questions	Comments
Questions on the Authority's vision	
Q1. (Paragraph 2.20) Do you agree with the Authority's vision for consumer mobility? If not, what would you change and why?	Like the Authority, Genesis supports consumer mobility. We see a future where households and businesses can choose to be active participants, equipped with the tools and choices needed to optimise their energy use, reduce costs, and participate in New Zealand's energy transition. Our commitment to this vision is demonstrated through tangible actions. Our Gen35 strategy is centred on empowering the customer-led transition to electrification. We have invested significantly in digital tools like our Energy IQ app, which now serves over 80% of our mass-market customers, providing them with detailed insights and the ability to take action. We are increasing our share of the EV customers, offering them access to cheaper energy costs than they would pay for at public charging stations. Further, our successful customer flexibility trials, which have already delivered 17MW of peak flexibility from managing hot water cylinders, show that meaningful consumer mobility can be achieved through innovation within the existing market structure. Where we differ from the Authority is not in the destination, but in the vehicle to get there. Genesis does not believe the proposed Multiple Trading Relationships (**MTR**) framework is the most effective, efficient, or equitable path to achieving greater consumer mobility and innovation. The MTR proposal introduces a solution of significant cost and complexity before the problem has been clearly defined or the consumer demand for such arrangements has been proven.

	As discussed in the main body of our submission, international evidence from trials like the UK's Living Lab suggests consumer demand for multiple suppliers is a niche interest, highly conditional on savings and seamless automation. Further, the proposed MTR framework risks imposing the substantial costs of a full market re-architecture on all New Zealanders, while the direct benefits are likely to accrue to only a small segment of affluent and highly-engaged consumers. This would be an inequitable and perverse outcome where the "have nots" subsidise the "haves". Our position is informed by a careful analysis of the proposal, lessons from international experience, and our own deep understanding of the New Zealand market. We consider that the Authority is progressing down a path that was considered and ultimately rejected in Australia in 2016 for sound, consumer-focused reasons that remain applicable today.[20] Further, the proposal fails to adequately address the substantive concerns raised by Genesis and other industry participants during the Authority's 2017 MTR consultation. Accordingly, while we endorse improved consumer mobility, we would change the immediate focus of the Authority's work programme. Our reasons and recommendations are discussed in detail in the main body of this submission.
Q2. (2.20) Do you have any comments regarding future stages of multiple trading, whether the proposal provides optionality for the potential future stages, and the options the Authority should consider?	Genesis considers it premature and speculative to contemplate future, more complex stages of multiple trading when the fundamental case for the initial stage has not been established. The significant questions regarding consumer demand, commercial viability, and the inequitable distribution of costs versus benefits must be answered before committing industry resources to building a pathway toward even more complex arrangements. The consultation paper's discussion of future stages - such as retailers for specific appliances or different times of the day - highlights the complexity the MTR framework would introduce. While

[20] Australian Electricity Market Commission, *Multiple Trading Relationships, Final Rule Determination*, 25 February 2016.

	the proposed technical solution for Stage 1, it creates a path dependency that we believe lacks the scalability and structural integrity required for such a granular future. As discussed in the main body of our submission, the proposal would add complexity to the central registry, participant systems, and, most importantly, the consumer experience. The operational risks and costs would far outweigh any speculative benefits, which if they do materialise, would accrue to a small percentage of customers, while the costs would be socialised across all New Zealanders. It is critical to learn from international experience here. Australia's 2024 "Unlocking CER benefits" framework, while architecturally more complex upfront with its Secondary Settlement Point (SSP) model, was deliberately designed for modularity and scalability. Yet, even with that robust technical foundation, the AEMC made the decision to *prohibit* multiple retailers for small customers because there remains consumer protection, competition and innovation questions to resolve. The Authority's proposal to contemplate future stages that are far more complex, without having resolved these foundational issues, is deeply concerning. Further, the proposal does not provide genuine, low-cost optionality for the future. Instead, it risks locking New Zealand into a technical and regulatory pathway that will become increasingly costly and difficult to manage over time. The primary option the Authority should consider is to **pause the MTR workstream entirely.** Rather than planning for hypothetical future stages, the Authority's focus should be on gathering the necessary evidence to validate the premise of the initial proposal. We strongly recommend the Authority redirects its efforts towards commissioning a comprehensive, independent cost-benefit analysis and initiate a robust market trial, modelled on the UK's Living Lab Policy Trial. Such a trial would provide the empirical data needed to understand actual consumer behaviour, test the commercial models in a New Zealand context, and properly assess the operational challenges.

	This "walk before you run" approach ensures that material changes are grounded in evidence, genuinely serves the long-term interests of consumers, and avoids committing New Zealand to a costly and complex system for which there is no proven need. Please see further the discussion in the main body of this submission.
Questions on Multiple trading	
Q3. (3.26) Do you agree with the proposed solutions? If not, what would you change and why?	Genesis does not agree with the proposed solutions. While we support the Authority's intent to foster innovation and consumer choice, we believe the changes proposed are a disproportionate response to an unproven problem. As discussed above, the solutions introduce significant cost, complexity, and risk for the entire industry and for all New Zealand consumers, for benefits that remain speculative. The preferred solution is a fundamental re-architecting of the market's core systems. While it may appear to be a simple software change for the initial stage of separating consumption and generation, it is not a robust or scalable foundation for the future. It creates a complex web of inter-dependencies at a single connection point that will become increasingly difficult to manage. Operational responsibilities for physical site works, metering changes, and disconnections become complicated, requiring new rules to designate a "primary" trader to avoid conflicting instructions. This adds operational friction and risk where none currently exists. Critically, as discussed in the main body of our submission, this approach overlooks the clear lessons from Australia. After years of analysis, the AEMC (albeit driven by different drivers to the Authority) implemented a more structurally separate model but made the deliberate decision to *prohibit* multiple retailers for small customers, given unresolved consumer protection and other issues. The Authority's proposal seeks to introduce this complexity for all consumers from day one, without adequately addressing these same fundamental risks.

	The proposed solutions would require every retailer, distributor, and metering equipment provider to undertake costly and time-consuming changes to their core IT systems and business processes. These are not minor adjustments; they are substantial development projects whose costs will inevitably be passed on to all consumers. This creates an inequitable outcome where all New Zealanders pay for a system that only a small, highly-engaged subset of consumers may ever use. As discussed in the main body of our submission, this was one of the key reasons for the AEMC's rejection of a similar model in 2016, where it found that "while only a small subset of customers may receive a direct benefit... all other electricity customers would likely face increased retail electricity prices". For the reasons discussed above and in the main body of our submission, we ask the Authority to **pause the proposal** and build a proper evidence base first.
Q4.(3.26) Do you agree with the benefits anticipated from the proposed solutions? Are there other benefits you can anticipate or improvements to operational effectiveness and efficiency? Can you quantify these benefits?	Genesis does not agree that the benefits anticipated from the proposed solutions are certain, significant, or sufficient to outweigh the very real costs and complexities the framework would impose. The benefits described in the consultation paper - such as lower costs, improved services, and greater innovation - are presented as definite outcomes. As discussed in the main body of our submission: - Benefits are speculative and not supported by clear evidence. - The assumption that MTR is a prerequisite for innovation is incorrect. Innovation is occurring within the existing single-retailer framework. Genesis is at the forefront of this, empowering customers through our Energy IQ platform, EV charging offers, developing new value through customer flexibility trials that have delivered 17MW of peak flexibility so far, and investing over $1.1 billion in new renewable generation and battery storage under our Gen35 strategy. The significant cost and distraction of implementing MTR would divert industry resources away from these kinds of tangible, beneficial innovations and towards mandatory compliance with a complex new market structure.

	We strongly disagree with the suggestion that the proposal would lead to improvements in operational effectiveness and efficiency. The opposite is true. The proposal would introduce significant operational *inefficiency* by creating complex multi-party arrangements at a single site. This increases the risk of customer confusion over billing and accountability, creates potential gaps in critical consumer protections, and complicates essential processes like managing disconnections and medically dependent customers. These are the same issues that led the AEMC in 2016 to decline adopting a similar MTR framework. Genesis cannot quantify the anticipated benefits because they lack a credible evidence base. Any attempt to do so at this stage would be pure speculation. The costs, however, are certain and substantial, involving system-wide IT builds and process re-engineering for every market participant. We suggest that the way to begin to quantify potential benefits is to first conduct the comprehensive market trials we have recommended. This would provide the real-world data needed to assess whether New Zealand consumers actually value this form of choice, whether a viable commercial market can exist, and what the true benefits might be. Until that foundational evidence is gathered, the benefits remain an unproven hypothesis. As discussed in the main body of our submission, proceeding with the proposal would impose significant costs on market participants, which would ultimately be passed onto consumers. This would result in an inequitable and perverse outcome, where the benefits, if they are realised, accrue to a small segment of customers, but the cost is borne by all consumers. Please see further the discussion in the main body of this submission.

Q5. (3.26) Do you anticipate the proposed solutions will introduce cost into your organisation, and if so, can you quantify this cost and/or provide a high-level description of the changes that need to be made?	Yes, Genesis anticipates that the proposed solutions will introduce significant costs into our organisation. While it is not possible to provide a precise quantification without a detailed technical specification and a full impact assessment, we can state with confidence that this would be a multi-million dollar, multi-year programme of work. The changes are not superficial; they represent a fundamental re-architecting of core systems and processes that are central to the operation of our retail business. The costs would be incurred across multiple domains: 1. **Technology and IT Systems:** This represents the largest area of cost and complexity. Genesis is currently undertaking a major, multi-year digital transformation programme to modernise our core customer platforms, including a new billing and CRM system. The proposed MTR solutions would require a substantial and costly redesign of this new platform before it is even fully implemented. Key changes would include: o **Billing & CRM Re-platforming:** Our core systems would need to be redeveloped to handle the logic of multiple traders at a single ICP, manage different data flows for consumption and generation channels, and present clear, coherent, and accurate bills to customers in a multi-provider scenario. This would add significant cost, risk, and delay to our existing transformation programme. o **Registry & Market Interfaces:** All systems that interface with the central registry would need to be rebuilt to accommodate the new channel-based trader assignment logic, new file formats, and new switching workflows. o **Data Management:** New data models and processes would be required to manage the complex relationships between customers, ICPs, meter channels, and multiple traders. 2. **Operational Processes:** Virtually every core operational process would need to be redesigned and rebuilt to function in an MTR environment. This includes:

	○ **Customer Onboarding and Switching:** Entirely new workflows would be needed to manage the initiation of an MTR arrangement, the switching of just one trader at a site, and the process of combining services back to a single trader. ○ **Faults and Outage Management:** Processes for managing faults and communicating with customers and distributors during outages would become more complex, requiring clear protocols for coordination between the multiple traders at a site. ○ **Disconnections, Reconnections, and Hardship:** Managing credit and collections, disconnections for non-payment, and providing support for customers in hardship becomes fraught with risk and complexity when two separate commercial entities are involved at a single premises. ○ **Life Support and Medically Dependent Consumers:** Ensuring the safety of vulnerable customers requires flawless processes. An MTR environment introduces new risks that must be managed through robust, and likely more costly, operational safeguards. 3. **People and Customer Service:** There would be significant costs associated with preparing our people and our customers for these changes. This includes: ○ **Training:** Training would be required for all frontline staff on the new systems, processes, and rules. ○ **Customer Communications:** New materials and communication campaigns would be needed to explain the complex new arrangements to customers, increasing the risk of confusion. ○ **Increased Handling Time:** Customer service interactions are likely to become longer and more complex as staff and customers navigate multi-party issues, increasing our cost to serve.

	These costs are substantial, unavoidable, and would ultimately be borne by all New Zealand consumers. As the AEMC noted in its 2016 rejection of a similar proposal:[21] "*Most consumer groups broadly agreed that the costs of implementing the proposed framework would outweigh any benefits, particularly for low income or vulnerable small energy customers*." and: "*Stakeholders generally considered the proposed framework would likely lead to higher electricity prices for all retail electricity customers, and was unlikely to facilitate increased competition in retail electricity markets*." Please see further the discussion in the main body of this submission.
Q6. (3.47) Do you agree options 2 and 3 are not preferred? If not, why not and how would you overcome the disadvantages?	As discussed above, the MTR proposal is fundamentally flawed due to the lack of a clear problem definition and evidence of consumer demand. All three options are simply different ways of implementing a solution that is not justified. The question of how to overcome the disadvantages of these options is, in our view, the wrong question to be asking at this stage. The disadvantages are symptoms of a premature and unjustified policy proposal. The way to "overcome the disadvantages" is to first address the foundational weakness of the proposal. The Authority must first prove that MTR is a necessary and beneficial policy for New Zealand consumers. This can only be achieved by pausing the current process and undertaking the

[21] Ibid, page 47. Note, the AEMC also considered the single meter model and concluded that many of the same issues would arise as those identified with the Australian Electricity Market Operator's MTR proposal would arise with a single meter model – see Appendix A to the Final Rule Determination.

	robust, evidence-based work we have recommended: a full, independent cost-benefit analysis and a comprehensive market trial to test the core assumptions of the MTR concept. If such work provides a clear mandate for MTR, then the industry should proceed to design the best solution.
Q7. (3.47) Do you agree that option 1 is the preferred option over options 2 and 3 and the reasons for preferring option 1? If not, why not?	Genesis does not agree that Option 1 is the "preferred option." While it may be presented as the least complex of the three options, this does not make it a good, necessary, or cost-effective policy for New Zealand. The choice between Options 1, 2, and 3 is a false one. The real and most critical choice is whether to proceed with a costly and unjustified market redesign, or to pause and build the required evidence base. On that basis, none of the options are acceptable. Option 1 still represents the same fundamental proposition discussed above. It is a solution in search of a problem. Specifically: 1. **It is not a low-cost solution:** While it avoids the dual-system complexity of Option 2 and the network charging chaos of Option 3, Option 1 is still a fundamental re-architecting of the market's core systems. As detailed in our response to Q5, it would impose multi-million dollar costs on Genesis and every other market participant, which will be passed on to all consumers. 2. **It introduces significant consumer risk:** Option 1 is the vehicle for introducing all the consumer protection risks we have highlighted, including the potential for billing confusion, disputes between providers, and critical failures in processes for managing disconnections and medically dependent customers. Australia's decision to prohibit multiple retailers for small customers, even with its more advanced technical model,

	underscores the gravity of these risks, which Option 1 does nothing to mitigate. 3. **It is based on unproven demand:** The significant, industry-wide investment required to implement Option 1 is predicated on an assumption of consumer demand that is not supported by evidence. The UK Living Lab trial suggests demand is niche and highly conditional, an unacceptable premise on which to base a mandatory, market-wide system build. 4. **It ignores clear international precedent:** Option 1 is similar to the MTR model that the AEMC assessed and rejected in 2016, citing a lack of net benefits and high, socialised costs. To prefer this option is to ignore the clear lessons from our closest comparable market. To frame Option 1 as "preferred" is to focus narrowly on a technical implementation detail while ignoring the much larger strategic question of whether the policy itself is sound. Genesis's position is that it is not. The fundamental problem is the lack of a robust case for change. Consequently, our preferred option is not Option 1, 2, or 3, but **Option 4: Pause the proposal and undertake a comprehensive, evidence-based assessment of the costs, benefits, and demand for MTR before any Code changes are made.** Please see further the discussion in the main body of this submission.